

## PGE Comments for BPA Commercial Initiatives: Sequencing & Cumulative Impacts

Portland General Electric Company (PGE) appreciates the opportunity to provide input to the Bonneville Power Administration's (BPA) Sequencing and Cumulative Impacts timeline. PGE recognizes the difficulty in coordinating such a large number of important projects while simultaneously being mindful of the direct and indirect impacts on customers. PGE looks forward to a robust discussion of these recommendations in the upcoming meeting scheduled for August 27, 2013.

PGE offers the following recommendations to BPA based on the two previous meetings of the Commercial Initiatives team.

- 1) Prior to commencing any competition BPA must have in place a business practice for 3<sup>rd</sup> Party Balancing Reserves. Specifically, to delineate how the transmission reservations will interact with preemption and competition module and MOD 29 & 30 flow gate calculations.
- 2) BPA should provide the region with a 2 week notice before commencing competition.
- 3) BPA should allow each segment of the competition to take place for 90 days and the PCM team should report out prior to the start of the next segment.
- 4) Weekly competition and Daily competition segments should evenly straddle Managing Hourly Firm Sales to allow evaluating market influences of both projects.
- 5) Managing Hourly Firm Sales project should be effective March 1.
- 6) 15-minute scheduling should be effective when systems are in place and tested to ensure reliable operations.

PGE proposes these minor changes to the timeline provided by BPA Commercial Initiatives team on July 24, 2013. Acceptance of the business practice for Third Party Balancing Reserves appears to be the most time critical project item. In PGE's opinion, defining the treatment of Third Party Reserves transmission with respect to Preemption and Competition Project must take place prior to the start of any competition.

PGE suggests that BPA continue under its original proposal to provide the region with a minimum of 2 week notice prior to Implementation of the Preemption and Competition Module.

Additionally, PGE recommends a timeline change to the Limiting Hourly Firm Sales project and the Preemption and Competition Module. There are concerns that these two projects could have negative impacts to reliability and potentially disruptive market behavior.

The BPA project team for Managing Hourly Firm Sales specifically stated the need to have the project online for the spring outage season that begins in March of 2015. PGE supports BPA in that time requirement. However, PGE would like to encourage the Managing Hourly Firm Sales project team to conduct a series of technical conferences as outlined during the July 24 meeting. These technical conferences would allow BPA to report on the action items from the July 24 meeting.

PGE supports BPA's implementation approach to the 15-Minute Scheduling Project. PGE hopes to participate in any pilot (should it be developed) so that the process, technical and operational constraints can be fairly evaluated. As a balancing area authority with responsibility to offer 15-minute scheduling, PGE appreciates the magnitude of difficulties BPA will face with such a fundamental paradigm shift. PGE recommends that BPA provide frequent updates on the 15-Minute Scheduling Project.

PGE applauds BPA for this customer engagement opportunity. PGE believes that BPA's current projects are important to the region and that customer engagement opportunities such as these allow for critical dialogue. PGE hopes BPA will consider the proposed changes and looks forward to the meeting on Tuesday, August 27, 2013.